

Message Text

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67

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 AID-05 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

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R 061532Z SEP 75

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

AMEMBASSY LONDON

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBURG

AMEMBASSY COPENHAGEN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

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E.O. 11652:

TAGS: ETRD

SUBJECT: TOBACCO CLASSIFICATION

REF: EC BRUSSELS 5975

1. ACTION USEC: THE MISSION SHOULD REAFFIRM THAT

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CERTIFICATION AT EXPORT IS NOT A PRACTICAL SYSTEM FOR

CLASSIFYING TOBACCO FOR CUSTOMS PURPOSES, DRAWING ON THE FOLLOWING:

A. THE COMMISSION'S REQUEST FOR CLASSIFICATION OF ALL EXPORTS TO THE EC AT EXPORT GOES BEYOND CURRENT CAPABILITIES IN COMMERCIAL TOBACCO INSPECTION AND GRADING PROCEDURES AND TECHNIQUES. THOUGH LABORATORY TESTS CAN MAKE THE REQUISITE DISTINCTIONS BETWEEN THE TYPES OF TOBACCO INVOLVED WHEN THE TOBACCO IS NOT TOO HIGHLY PROCESSED (I.E. IN WHOLE LEAVES OR CUT IN SFRINS), ROUTINE INSPECTION FOR THE PURPOSE OF CLASSIFYING EVERY SHIPMENT TO THE EC IS CLEARLY BEYOND THE RESOURCES OF ANY U.S. AGENCY OR COMBINATION OF AGENCIES.

B. THE HYBRID SYSTEM MENTIONED BY EC OFFICIALS (REFTEL PARA. 8) IS NOT A VIABLE ALTERNATIVE. MISSION SHOULD EXPLAIN THAT AUCTION CERTIFICATES ACCOMPANY EACH OF THE

TWO TO THREE MILLION BASKETS OF TOBACCO (200 TO 300 LBS. EACH) ONLY WHILE THE BASKETS ARE ON THE AUCTION FLOOR. FROM THERE THE TOBACCO IS AGGREGATED INTO LARGER LOTS FOR FURTHER PROCESSING, AND ANY POSSIBILITY OF FOLLOWING A PARTICULAR BASKET IS LOST. THE LOGISTICS INVOLVED IN HANDLING MILLIONS OF PIECES OF PAPER, PLUS THE IMPOSSIBILITY OF TRACING EACH BASKET AFTER IT LEAVES THE AUCTION FLOOR MAKES ANY SUCH QTE HYBRID UNQTE SYSTEM BOTH UNMANAGEABLE AND INEFFECTIVE.

C. ALTHOUGH QTE ENTRY ... IS SUBJECT TO CONDITIONS TO BE DETERMINED BY THE COMPETENT AUTHORITIES UNQTE (FOOTNOTE TO SCHEDULE LXXII ENTRY FOR ITEM 24.01A), THE EEC CANNOT INSIST UPON CONDITIONS WHICH ARE AS A PRACTICAL MATTER IMPOSSIBLE TO FULFILL. EXPORT CERTIFICATION IS SUCH AN IMPOSSIBLE CONDITION, AND IN OUR VIEW WOULD IMPAIR THE ARTICLE XXIV:6 CONCESSION.

D. WE ARE ENCOURAGED BY INDICATION (PARA. 8 REFTTEL) THAT COMMISSION OFFICIALS DO NOT RULE OUT OTHER POSSIBILITIES. WE RECOGNIZE THAT THEY HAVE A LEGITIMATE INTEREST LIMITED OFFICIAL USE

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IN BEING ABLE TO CORRECTLY CLASSIFY IMPORTS COMING INTO THE EC, AS THEY MUST RECOGNIZE THAT WE HAVE A LEGITIMATE INTEREST IN MAINTAINING THE VALUE OF THE XXIV:6 CONCESSION. WE BELIEVE THIS PROBLEM CAN BE SOLVED BEFORE IT BECOMES A SERIOUS IRRITANT. WE RENEW OUR OFFER TO MEET WITH COMMISSION OFFICIALS. SUCH A MEETING WOULD BE ESPECIALLY USEFUL IN VIEW OF THE TECHNICAL COMPLEXITIES WHICH MAKE DISCUSSION OF THIS

ISSUE DIFFICULT AT LONG RANGE. IN SUCH A MEETING, WE WOULD LIKE TO EXPLORE THE POSSIBILITY OF DEVELOPING EASILY DISCERNABLE CRITERIA WHICH COULD BE USED TO DETERMINE CUSTOMS CLASSIFICATION.

2. THE JOURNAL ARTICLE REQUESTED IN REFTEL HAS BEEN AIRMAILED TO USEC. DOCUMENTATION REGARDING U.S. CUSTOMS TECHNIQUES DOES NOT EXIST. THIS EXPERTISE IS GAINED THROUGH IN-THE-JOB TRAINING AND EXPERIENCE, AND IS POSSESSED BY ONLY A FEW CUSTOMS INSPECTORS.

3. ACTION EMBASSY LONDON: EMBASSY IS REQUESTED TO EXPLORE DISCREETLY HMG POSITION ON THIS ISSUE. AS REPORTED REFTEL, THERE IS REASON TO DOUBT UNANIMITY OF MEMBER STATES' VIEWS ON THE NEED FOR EXPORT CERTIFICATION. WE WOULD ALSO BE INTERESTED IN LEARNING HOW BRITISH CUSTOM SERVICE NOW CLASSIFIES TOBACCO IMPORTS FROM THE U.S. UNDER ITEM 24.01A, AND WHAT DEGREE OF SUPPORT WOULD BE FORTHCOMING FOR AN EFFORT TO DEVELOP MUTUALLY AGREED USABLE OBJECTIVE CRITERIA FOR CLASSIFICATION OF TOBACCO UNDER THAT TARIFF HEADING.
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Message Attributes

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